

SENATOR LARRY LUTZ



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The national recession has taken a heavy toll on Indiana and most other states. The downturn has cut into state sales, income, and other tax revenues. At the same time, the federal government has either frozen or reduced funding which it provides to states for a number of programs and initiatives. As a result, most states, including Indiana, are experiencing a budget squeeze.

However, Indiana continues to move forward and make significant strides. During the swearing in ceremony of Indiana's first female Lieutenant Governor, Kathy Davis noted a few of the state's recent accomplishments:

- *Indiana continues to have the lowest state and local taxes as a percent of personal income of any Midwestern state.*
- *In 2002, Indiana was the only state in the nation to conduct a comprehensive overhaul of its tax system. In the process, it eliminated the corporate gross income tax, reduced property taxes for most Hoosiers, and began phasing out the inventory tax.*
- *Indiana's K-12 academic standards are among the highest in the nation.*
- *In 2000, 60% of Indiana's high school graduates went on to college, ranking the state 17th in the nation, up from 37% in 1986 when the state ranked 40th.*
- *The Community College of Indiana program has added 21,000 students since it started in 2000 – an increase of 50%.*
- *With the establishment of a new research center at Purdue, Indiana will remain at the forefront in the area of agricultural research and development.*
- *Indiana is the only state in the nation to have a network operation center for Internet 2, the next generation Internet.*
- *With the completion of Prophetstown State Park, all Hoosiers will be within an hour's drive of a state park or state recreation area.*

While we as a state face many challenges, we must not lose sight of the progress we've made. These advances would not have occurred without bipartisan cooperation among members of the General Assembly and the consensus-building efforts of the late Governor Frank O'Bannon and his successor Governor Joe Kernan. In the months ahead, I look forward to working with my colleagues to help foster a stronger state in which to live and raise our families.

Wishing you a healthy and happy new year,

A handwritten signature in black ink that reads "Larry Lutz". The signature is stylized with a large, flowing "L" and a cursive "Lutz".

**REPRESENTING SENATE DISTRICT 49
INCLUDING PORTIONS OF POSEY, GIBSON
& VANDERBURGH COUNTIES.**

2004 legislative session underway

General Assembly addresses property taxes

Every November, all 150 legislators gather at the State House in Indianapolis for the annual Organization Day, when we make final preparations for the session to follow in January. This year, however, we will immediately begin considering legislation to deal with property tax relief and the ongoing property tax reassessment.

Ideas to be considered range from providing additional targeted property tax relief to the elderly and working families to tighter restrictions on local government spending. Some of these proposals may require lengthy consideration, but I am confident we will accomplish important goals prior to the scheduled start of the 2004 session in January.

Chief among these goals is the extension of the filing deadline for the Homestead Credit and numerous property tax deductions. I sup-

port legislation which would retroactively extend the original May 10th deadline to December 10th as suggested by Governor Joe Kernan thus allowing many taxpayers to take advantage of these important tax relief programs.

Some suggestions regarding legislation to place new limits on local spending should also be considered and would certainly help control property tax growth in the future. I support many of these initiatives, but I also remain committed to an even bolder vision.

Indiana needs a tax system where the burden does not fall so heavily on working families, seniors and farming communities. This means decreasing the overall reliance on property taxes and making other taxes less regressive. We have made progress, but there is much more work to be done.

Workforce training

Indiana's WorkOne Centers offer a one-stop shop for Hoosier employees and employers. Established through Indiana's Department of Workforce Development, there are 27 WorkOne Centers throughout the state offering an array of services, including:

- ◆ Job counseling and training
- ◆ Unemployment insurance
- ◆ GED training and testing
- ◆ Veterans employment and training services

Employers and employees can also access CS3, Indiana's computer job-matching system, at any WorkOne Center or online at <https://cs3.dwd.state.in.us>.

For more information about Indiana's workforce development programs or to find the WorkOne Center nearest you, please contact the Department of Workforce Development at 1-888-967-5663 or online at www.in.gov/dwd.

LOOKING FOR LEGISLATIVE INFORMATION?

Visit the Indiana General Assembly's website at

www.in.gov/legislative

Now available online:

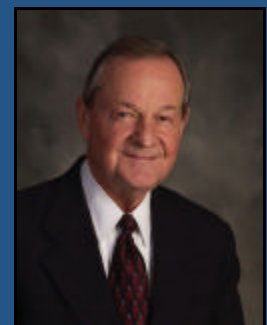
- ◆ House and Senate session meeting times
- ◆ Committee hearing dates
- ◆ General bill information

You may also contact the Office of Legislative Information by calling 317-232-9856.

In Memory of Governor Frank O'Bannon

On September 13, Indiana lost a devoted leader when Governor Frank O'Bannon passed away. O'Bannon was a dedicated public servant who was wholly committed to improving the lives of all Hoosiers, especially children. Throughout his 30 year career in public service, O'Bannon was considered compassionate, kind and loyal. He was best known as a consensus-builder who had a talent for bringing opposing groups together in seeking resolutions.

O'Bannon was a great governor who will be sorely missed. May his spirit of public service and legacy live on in the hearts and minds of all Hoosiers for generations to come.



Governor Frank O'Bannon
1930—2003

Economic development efforts targeted

During the past several years, the General Assembly has made tremendous strides to provide a positive atmosphere for economic development in Indiana. In 2002, legislators worked together to enact the most comprehensive tax restructuring package in state history that, among other things, significantly overhauled corporate taxation in Indiana.

Attracting New Business



Funded by a legislative appropriation from the 2003 General Assembly, Governor Kernan launched an ambitious campaign to promote Indiana as the place to do business thanks to the recently restructured tax system. In October, the Governor and the Indiana Department of Commerce announced a bold initiative to market Indiana's business-friendly climate to regional and national audiences through statewide daily newspapers and business journals, as well as in the regional editions of national business publications and those focusing in major Midwestern cities.

The campaign logo, which features the word "GO" placed on what normally is considered a traffic stop sign, is designed to indicate that

Indiana is moving forward in the face of a national recession.

Technology Partnerships

Legislators also approved legislation that created or revised economic development tools to encourage new jobs for working Hoosiers. One of the new tools being implemented is the "Certified Technology Park Program." This program creates partnerships between universities and local governments to encourage the location of high-tech businesses within areas identified by local redevelopment commissions and approved as Technology Parks. Each park must have a firm commitment from at least one business primarily engaged in high-tech activity that will locate within the park and create a significant number of jobs.

These programs are needed to promote our commitment to education, retain Hoosier graduates and boost the high-tech sector which ultimately creates jobs.



Technology Park Locations in Indiana: Anderson, Fort Wayne, Hammond, West Lafayette, and Shelbyville.

The No Child Left Behind Act and Educational Improvement

Indiana schools are improving. The changes initiated by Public Law 221 passed in 1999 have resulted in tougher academic standards, higher test scores and a comprehensive community focus on how to improve neighborhood schools.

Thirty-nine schools successfully moved off the "needs improvement list" in 2003. Ninety-six percent of Indiana's public classes are taught by highly qualified teachers, ranking Indiana fourth best in the nation. Recognizing the need for continued progress, last session Indiana lawmakers increased education funding by 3.3% in 2004 and 2.9% in 2005 despite difficult economic times.

Indiana has made educational improvement a priority.

Indiana has made educational improvement a priority. However, a cloud hangs over these advancements—the threat of losing essential federal funding and the implementation of counter-productive sanctions if schools do not improve fast enough to comply with the No Child Left Behind Act (NCLB) signed into law in January 2002 by President Bush.

NCLB's ultimate goal is to have every student in the United States passing state reading, math and science tests by the year 2014. I fully support these goals and believe closing the achievement gap is of the utmost importance. However, federal funding has been appropriated at almost \$10 billion below the level originally promised.

The cost of new tests, new classrooms, more qualified teachers and extra tutoring and transportation is estimated to exceed any additional federal dollars directed to Indiana. Additionally, if our schools fail to meet educational requirements, then these schools could be subject to costly sanctions.

Fortunately, Indiana has been successful in meeting NCLB standards of improvement thus far. However, Indiana schools will need adequate funding in order to continue to achieve the required progress.

Federal funding for NCLB has fallen below the level originally promised.



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Learning opportunities at the Indiana State Capitol

Be a Page

Students ages 12-18 may apply to serve as Senate Pages while the Indiana General Assembly is in session. Students serve for one day assisting with various legislative activities. Participation in the page program is considered an excused absence from school.

Interested students should write to their State Senator in care of the Indiana State Senate, 200 West Washington, Indianapolis, Indiana 46204-2785; include their full name, address, phone number, age, school; and two different dates they are available. Opportunities to page begin January 5 and continue through March 14. Contact me early as there are a limited number of positions available. For more information, contact Senate Student Services directly at 317-232-9410 or toll-free at 800-382-9467.

Visit the State House

Tours of the State House are available to individuals and groups who visit Monday through Friday during regular business hours. Tours may be arranged by calling the State Capitol Tour Office at 317-233-5293. Walk-in visitors can pick up a self-guided tour book at the State House Information Desk located outside the rotunda in the north wing.